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THE POLITICAL ECONOMY OF HIGHER EDUCATION AND STUDENT DEBT

Eric Best and Daniel Rich

A global transformation is underway in the political economy of higher education. Dramatic shifts are taking place in what, where, how, by whom, and to whom higher education services are provided and funded. The transformation will intensify in strength and complexity over succeeding decades, driven by new technology, shifting educational costs, and the changing policies and strategies of nations and universities. Cutting across these forces are new patterns of supply and demand and major changes in both public and private investment that impact who bears the burden of higher education costs. In the industrialized nations of the Global North, a growing portion of that burden has shifted from government to the students who are expected to be the prime beneficiaries of higher educational opportunities.

In the United States and other nations of the Global North, the new political economy challenges some of the underlying features of the higher education system created over the previous half century. In response, many public universities have pursued strategies that emphasize greater self-reliance, privatization, and entrepreneurship, expecting that the levels of public funding they received in the past will not be available in the future. By contrast, China, India, South Korea, and other nations in the Global South have dramatically increased public investment in higher education, expecting that the growth of higher education capacity is critical to advancing national goals in an increasingly knowledge-based global political economy (Xu and Ye, this volume). Universities in these nations are expected to accept a larger public responsibility than in the past, focused on ameliorating social and economic challenges while at the same time supporting the innovation and labor force development needed for economic prosperity.

We review how this transformation differs from the dramatic changes in the political economy of higher education in the second half of the 20th century. We also distinguish features and implications of these changes for higher education in the Global North and the Global South, focusing especially on the impacts of these changes on student debt. While Global North institutions are the envy of the world, higher education is increasingly considered a private good, leading to a system of financing and loan repayment that appears unsustainable.

The 20th-century transformation

The political economy of higher education in the Global North underwent a transformation in the second half of the 20th century that dramatically increased higher education capacity and
student access, introduced programs to respond to an expanding vision of the public role of universities, promoted rapid growth of graduate and professional degree programs, and, most importantly, created the modern research university. The leading edge of the transformation was in the United States.

The rapid expansion of the U.S. higher education system in the second half of the 20th century reflected a growing recognition of higher education as a public good and a priority for public investment. After World War II, higher education was seen as a major factor in the development of a larger and more prosperous economic middle-class, and a means of entry into that class for millions of citizens. This view fueled both federal and state investment in the rapid expansion of colleges and universities, including the development of entire new state-supported higher education systems. For example, the State University of New York (SUNY), established in 1948 through the initial consolidation of a number of smaller campuses, and the subsequent expansion and addition of campuses through state funding, is now the largest state university system in the U.S., with 64 campuses and nearly a half million students. Much of this growth in scale was driven by policies and investments in what John Thelin calls “higher education’s golden age: 1945–1970,” which reshaped American higher education to support mass access to college enrollment and simultaneously increased the scope of advanced academic programs, including highly selective professional schools and doctoral programs (2004:260).

One of the key steps was taken in the midst of World War II, when the federal government passed legislation, the Servicemen’s Readjustment Act of 1944 (popularly known as the G.I. Bill), which enabled returning military service veterans to pursue higher education rather than enter the post-war labor market (although that access was not equally distributed across the population of veterans) (Onkst, 1998); the result was a remarkable growth in enrollments at colleges and universities of all types. “By the time the original GI Bill ended on July 25, 1956, 7.8 million of the 16 million World War II veterans had participated in an education or training program” (U.S. Department of Veterans Affairs, 2013). Before World War II, only about 5 percent of the U.S. college-aged population attended college. Because of the G.I. bill, enrollments increased to 15 percent of the college-aged population, and it has been increasing ever since.

In 1939–40, total student enrollment at all colleges and universities was just under 1.5 million … By 1949–50, total student enrollments had ballooned to almost 2.7 million – an increase of 80 percent in one decade. This was no aberration, for the figure increased to about 3.6 million in 1960 and then doubled again over the next decade, reaching over 7.9 million in 1970.

(Thelin, 2004:261)

In the decades between 1940 and 1970, growth rates of higher education were 80 percent, 33 percent and 119 percent, compared to population growth rates of 14 percent, 18 percent, and 13 percent (U.S. Census, 1940–1970). College enrollments continued to outpace population growth for most of the second half of the 20th century; by 2012 about 66 percent of high school graduates went on to higher education (U.S. Department of Labor, 2013). That growth was fueled by decades of increased public funding that was predicated on expectations that a college-educated labor force was essential to both economic prosperity and national security. The result is a higher education system that in 2016 is designed (in finances, faculty, support staff, and physical facilities) to support 20 million enrolled students each year.

The development of U.S. higher education also was driven by a model that connected investment in research and advanced graduate and professional programs with the achievement
of national goals. Universities were viewed as having a central role in helping to solve critical social and economic challenges – ranging from the cold war to civil rights, from improved government services to improved business practices, and from the wars on poverty and drugs to the weapons to wage war in Korea, Vietnam, and even later, in Iraq. The underlying view was expressed in 1945 by Vannevar Bush, science advisor to President Truman, who called upon the federal government to recognize that the applied research needed to solve national problems would not be sustained without federal investment in basic research. The idea embedded in his case was that the U.S. would rely on federal support of universities to provide this capacity rather than investing primarily in government research laboratories.

The concept of the modern research university, energized and subsidized by federal funding of both basic and applied research, began with Vannevar Bush’s report, entitled “Science: The Endless Frontier” (U.S. Office). From his report was born the National Science Foundation, and also the expectation that federal mission agencies (U.S. Department of Defense, Department of Energy, National Institutes of Health, National Aeronautical and Space Administration) had a major responsibility to support university research. Over succeeding decades, the boundaries between basic and applied research began to blur, and in some regards, vanish. The age of big, expensive science was launched.

Without question, the core argument driving the ramp-up of federal funding for research and development was national security (see chapter by Thorpe, this volume). In the “cold war” environment after World War II, national public leaders increasingly expected that, just as university scientists and engineers had been mobilized to help win the war, they should now be relied upon to help preserve the peace.

Universities invested in programs, research facilities, and infrastructure to attract the federal funding doled out to help address the challenges of cold war brinksmanship. Indeed, federal funding of research and development at U.S. universities continued to grow through the end of the 20th century, long after the fall of the Berlin Wall. In constant 2000 dollars, annual federal funding grew from $9 billion to $18 billion between 1970 and 1990, and almost doubled again to $32 billion by 2008, with much of this investment going to a concentrated group of research universities, which Clark Kerr called “federal grant universities” (Kerr, 1963:52–53).

A half century of public investment created a vast and diverse higher education sector in the U.S. In 2013, there were about 4,400 degree-granting higher education institutions, which annually enrolled nearly 20 million students and carried out $60 billion dollars of externally funded research and development, with most of the funding going to 200 major research universities (U.S. NCES). Higher education institutions offer a range of programs that affect communities at all levels, from neighborhoods to the nation. The prosperity and global economic leadership of the U.S. in the second half of the last century was due, above all else, to the long-term public investment in higher education.

It is also clear that the higher education industry was designed to be dependent upon continued public investment from both direct state funding of operations that kept student tuition and fees low, and federal funding of research and development. For the most part, the expanding public responsibilities and funding were accepted with enthusiasm by universities, which reshaped their policies, programs, facilities, and faculty to match them. For research universities, this entailed an entire institutional make-over that shifted the internal balance of priorities towards a greater investment in graduate and professional programs and large-scale research and development capacities. The shift was so dramatic that, in 1998, the national Boyer Commission argued that undergraduates were being neglected at many research universities (1998).
The 21st century transformation

In the 21st century, the higher education system in the U.S. and Western Europe, shaped over the previous half a century, has faced dramatic challenges arising from a new and more global transformation in the political economy of higher education. Across the Global North, the political priority of public investment in higher education has declined, even though the role of universities as assets for economic development has become better recognized than it was a half century ago. Within the U.S., funding from individual state governments – the primary source of governmental revenue for operating expenses – has been a declining fraction of the budgets of most public colleges and universities since the 1990s. These state governments are required to invest in formula-driven programs, such as elementary and secondary education and Medicaid (health insurance for the poor), leaving less available for higher education and other discretionary spending. At the same time, the global economic recession between 2008 and 2013 reduced government revenues, and state budget allocations to universities were cut along with other government obligations. The Center on Budget and Policy Priorities reports that state governments spent, on average, 28 percent less per student on higher education in 2013 than they did in 2008; over that same period, per student funding was cut by more than one-third by eleven states, and more than half by two states (Center for Budget and Policy Priorities, 2013). For some public universities, state funding now represents single-digit percentages of their total budgets; for example, in 2013, state support of the University of Virginia, one of the oldest and most distinguished public universities, was less than 7 percent of the total university budget.

For many of the 200 major U.S. research universities, reduced state funding has been accompanied by increased federal research and development funding. To a significant extent, state government dependency has been swapped for federal government dependency. However, the level of federal R&D funding has been relatively flat in the last decade (AAAS, 2016). A larger number of universities are competing more intensely for a relatively fixed amount of federal support; those that receive a greater share and ramp up to higher levels of research infrastructure then need to keep up the pursuit of federal dollars simply to sustain their previous level of operation.

In the competition for federal research and development funding, the traditional distinctions between public and private universities, which historically relate to university governance and direct state funding, have become irrelevant. In fact, major private research universities are increasingly dependent on federal funding. The university with the highest annual federal research expenditures and therefore the greatest dependence on public funding is Johns Hopkins, a private university, which had $1.9 billion in federal research funding in 2011 (NSF, 2013). More than half of the 40 universities with the highest federal research expenditures are private universities (NSF, 2013).

This blurring (and in some regards elimination) of public and private differences is an increasingly important feature of higher education globally. U.S. universities that have traditionally been classified as private are non-profit institutions that represent a diverse array of over 1,800 four-year colleges and universities. Indeed, the U.S. has more private than public four-year colleges and universities, and another 600 two-year private colleges. While many of these institutions are quite small, private higher education includes some of the largest, most prestigious, and richest universities in America, such as Harvard, Yale and Stanford. These have major private endowments, but there are no stockholders and no profit-takers, as such.

The same is not true for the new breed of for-profit universities that has proliferated in recent decades, largely as a result of the diffusion of online technologies. The University of Phoenix, which initially was focused on serving working adults, is now the largest for-profit,
private university in the U.S., with 350,000 students, most studying online. Between 1998 and 2008, student enrollments at for-profit institutions tripled, reaching about 2.4 million students; three-quarters of those students are at institutions owned by publicly traded stock corporations and private equity firms (Lewin, 2012). As the market for new students in the United States slows and student loan access is exhausted, the University of Phoenix and other for-profit, online providers now market internationally and to students in Africa, Asia, and Latin America as well as North America and Europe. None of this transformation would have been possible, however, without the shift to student debt as an increasingly key form of funding for higher education institutions.

The entrepreneurial university and the political economy of student debt

In the U.S. and other nations of the Global North, the response of universities, particularly research universities, has focused on how to translate the turbulent, competitive, and threatening political economy of higher education into an environment of opportunity for universities that desire to become engines of innovation in a knowledge-based global economy. In this view, universities must become more self-reliant, self-directed, and self-conscious of their competitive identity and position in an increasingly global market for their services (Rich, 2013). Fulfilling these roles requires a new calculus for evaluating priorities and performance. As more institutions compete for research funding, programs are increasingly judged based on return on investment. Investments must be focused on supporting initiatives likely to produce high-impact innovations that confer a competitive advantage in the higher education marketplace and beyond.

The vision of the Entrepreneurial University is particularly appealing to universities that have experienced a significant disinvestment of public funds and have essentially been forced to adopt a more “private” orientation to their operational support. The connection of this shift with the rising levels of student debt is incontestable. In the U.S., as state funding of colleges and universities has declined, the cost of traditional higher education has continued to increase, driven by increased expenses for facilities, technology, administration, and salaries and wages. In response, public colleges and universities have increased tuition charges and fees and some issue debt to finance long-term goals. The average annual tuition at four-year public colleges and universities, adjusted for inflation, has grown by 27 percent ($1,850) between the onset of the economic recession in the 2007–2008 academic year and the 2012–2013 academic year, with two states increasing tuition by more than 70 percent and seven states increasing tuition by more than 50 percent (Center for Budget and Policy Priorities, 2013). The tuition and fees at private (non-profit colleges and universities), which already were much higher across the nation than at public institutions, have also increased. Over the decade ending in 2010–2011, undergraduate tuition and room and board, adjusted for inflation, increased by 42 percent at public colleges and universities and by 31 percent at private colleges and universities, with an average annual cost for the latter of over $36,000, more than twice as much as public institutions, $13,600 (NCES, 2013).

The entry of for-profit institutions has added complexity to the pricing structures, since tuition and fees of for-profit, online programs are lower than at public and private programs and the increase over the decade ending in 2010–2011 was only 5 percent. The incremental cost for additional students is often low once online programs are established. However, rather than representing a bargain for students, for-profit institutions have been quite the opposite. For-profit universities have a poor record of graduating the students they enroll. They attract a significant level of federal government higher education loans for students who never complete their degrees, accumulate high levels of debt, and rarely find a job that enables them to pay back
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their loans (U.S. Senate Committee, 2010). In fact, a new study shows that dropouts outnumber graduates by so much that on average, salaries actually decline after attendance at for-profit undergraduate programs (Cellini and Turner, 2016). A U.S. Senate report indicates that the University of Phoenix received $1.2 billion in federally funded student Pell grants in 2010–2011, but most of the students left the program without earning a degree, and a majority of the subset that does graduate earns certificates or associate’s degrees, not four-year degrees (Miller, 2014). Further, among 30 for-profit providers, the study reports that “an average of 22.4 percent of revenue went to marketing and recruiting, 19.4 percent to profits and 17.7 percent to instruction”; the colleges had 32,496 student recruiters compared with 3,512 career-services staff to assist students in finding a job (Lewin, 2012:2; for other critical work on for-profit colleges see Mettler, 2014).

While precise estimates vary, the consensus is that total U.S student loan debt reached or exceeded $1 trillion in 2012, exceeding total U.S. credit card debt, and representing indebtedness of 37 million borrowers, including two-thirds of students who earn four-year bachelor’s degrees, and representing one household in every five across the United States (Fry, 2012). Most of this debt, over $860 billion, is in outstanding federal government student loans, with the remainder in outstanding loans from private sources, such as banks, often packaged together and used as collateral in student loan asset-backed securities (SLABS). Recently, forgiveness programs in the United States are causing concerns to holders of securities backed by student debt as original loan maturity dates may no longer be honored (Shenn and Scully, 2015). The Pew Research Center reports that the average household student debt in 2012 was nearly $27,000 and 10 percent of households have student debts that exceed $60,000 (Fry, 2012:1). These circumstances document the increasing displacement of the earlier vision of a college-educated nation as a “public good” by a contrary vision that college education is primarily a “private good” with benefits received by individuals and to be paid by individuals who must repay accumulated loans from future earnings - presumably made possible by their higher education (Hebel, 2014, Best and Best, 2014).

The challenge posed by this shift in vision is daunting. As the cost of college attendance and the expectation of debt increase, enrollment demand will likely decline or shift from more expensive on-site four-year programs to less expensive online alternatives, or two-year community college programs with much lower tuition and fees. Indeed, the U.S. community college system has been a growing component of higher education for many years, featuring non-residential programs and two-year degrees, open admission, and comparatively low tuition rates. Further, demographic projections of the U.S. college-age population indicate that the total pool of high school graduates is expected to decline over the next decade (U.S. NES). Rates of college application will likely increase from low-income students (especially since increasing those rates is a national policy priority), but these students are often unable to pay the higher tuition rates and require financial aid or discounted rates in order to enroll and graduate. Not surprisingly, a 2012 survey of U.S. colleges and universities by Moody’s financial services indicated that nearly half expected enrollment declines in full-time students, and a third expected tuition revenue to decline or to grow less than the rate of inflation (Martin, 2013).

Internationally, in the countries where loan programs are normal and there are frequent cases of graduates struggling with college debt, income share agreements are popular. Today, there are several countries that have income-based repayment programs, including Australia and the United Kingdom, which have almost universal income share agreement programs for students who borrow (Australian Government 2016, UK Government 2016). While these are two of the oldest and most mature income-based repayment systems, they are not without problems, and in both cases programs are getting more restrictive as the cost of education and total loan
balances grow. In Australia, current projections indicate that about 20 percent of student loans will be unrecoverable, leading to worry that the country will return to a cap on total higher education enrollment (Norton 2014, Jump 2013). In the UK, many universities are charging the maximum allowed tuition and the loan portfolio is growing rapidly leading to concerns about future repayment (Paton 2014, Bolton 2015). Most recently, Japan is experiencing issues with repayment and the government is suing large number of borrowers for repayment for the first time (Japan Press Weekly, 2016, Kikuchi 2016).

**Higher education and global economic development**

The changing configuration of U.S. providers is just one facet of a truly global transformation in the topography of higher education. The drive of many nations in Asia and the Global South to develop higher education systems through massive public investment is a distinctive feature of the 21st century transformation. Ironically, these nations have invested in higher education as a public good – even at the expense of other priorities – at the same time that the U.S. and the other nations of the Global North have reduced public investment and embraced the idea of higher education as a private good.

The nations of the Global North and Global South seem unanimous, however, that the prosperity of nations within the knowledge-based global economy of the 21st century is dependent upon a more highly educated labor force and the capacity to generate new knowledge and translate that knowledge into commercial advantage. The underlying assumption is that universities (and university systems) are essential for sustaining economic development: generating new intellectual property that may lead to commercialization; strengthening the science and technology labor pool; incubating and jump-starting new businesses that attract investment and create jobs; mobilizing the knowledge assets of universities to address emerging challenges of a global political economy; and serving as a hub of 21st-century innovation and culture. Universities, especially research universities, also are essential to attract what Richard Florida calls the “creative class”: those people with advanced skills and imagination who are critical to innovation and who tend to aggregate in locations that provide amenities associated with the environment surrounding universities (Florida, 2012). What differs, therefore, is the understanding of how to achieve these goals, and the role of government funding in that process, given existing levels of ‘achievement’ of these metrics.

Some nations in the Global South have responded to this vision with massive public investments in the development of a higher education capacity, a strategy reminiscent of the path taken in the U.S. and other industrialized nations a half century ago. China and India greatly surpass the U.S. in total university graduates per annum (although they lag in graduates per capita) and are investing aggressively in expanding the size, quality, and research capacity of their higher education sector (Cheng, 2010) (see chapter by Suttmeier, this volume). America ranks tenth among nations in the percentage of citizens aged 25–34 with postsecondary degrees (Christensen and Horn, 2011:1). China has launched a $250 billion-a-year investment in human capital, much of it directed to produce college graduates in numbers never seen before. “Just as the United States helped build a white-collar middle class in the 1940s and early 1950s by using the G.I. Bill to help educate millions of World War II veterans, the Chinese government is using large subsidies to educate tens of millions of young people as they move from the farms to the cities” (Bradsher, 2013). Other Global South nations are at risk of falling even further behind the educational divide due to lack of investment in higher education (Torres and Schugurensky, 2002).

The global change in post-secondary education is not only quantitative. While the vast majority of top-ranked universities are in the U.S., Western Europe and other developed
regions, that dominance may be diminishing. India, China, South Korea and other nations are making immense investments in developing major research universities. Indeed, in the short term, the U.S. is helping that process. Since the 1960s, U.S. and European universities have been training international graduate students to be researchers and university faculty members. In the past, that process resulted in a “brain drain” from other nations; now the process is quite different. Indeed, the global competition for advanced knowledge and degrees, especially in science and engineering, is more acute than ever before and will likely intensify as nations restrict the drain of their “brain power” to other parts of the globe (Saxenian, 2005). In this competition, the U.S. and Europe retain an advantage because of their concentration of major research universities and the established institutional partnerships and infrastructure to support advanced research across a broad range of fields. Yet, this advantage may be temporary, especially since public investment in higher education and research and development is lagging in the U.S. and Europe and growing dramatically in other nations. Over the next few decades, the global restructuring of the higher education industry promises to be as wrenching as those experienced in the U.S. automobile and steel industries in the second half of the 20th century.

Despite general increases in the percentage of students participating in higher education into the 21st century, there are still sizable differences in tertiary educational attainment rates across the world (The World Bank, 2016). While enrollment rates from domestic students may be expected to decline in U.S. and Global North universities, there remains a steady flow of students from the Global South to the Global North either through online programs or onsite matriculation. The Institute for International Education reports that in the 2011–12 academic year more than three-quarters of a million international students were enrolled at U.S. colleges and universities, marking the sixth consecutive year of enrollment increases, with the largest numbers from China and India (Abrams, 2012).

One attribute that may eventually make Global North educations less desirable is that many countries now ask for contributions from students for universities that used to be almost completely subsidized (Berman et al., 2007). As costs rise for individuals, student loan programs follow. Countries that traditionally financed very high levels of tertiary education have adopted student loan systems, including Canada, Denmark, France, Germany, Ireland, Japan, the Netherlands (begun in Fall 2015), New Zealand, Norway, Sweden and the UK. With the exception of Norway and Sweden, both of which have relatively small inbound and outbound educational programs, these Global North countries (along with massive hosts Australia, the UK, and the US) host many more international students than they send abroad (UNESCO, 2016a).

For now, according to data from the United Nations Educational, Scientific and Cultural Organization, about 90 percent of all tertiary students studying outside of their home country are educated in the Global North, as defined by the United Nations (UNDP, 2016, UNESCO, 2016b). Among students that study internationally outside of their home continent, about 94 percent are educated in Europe, North America, Australia, and New Zealand. Overall, students in the Global North are almost certain to remain in other Global North countries for international educational experiences, while students from the Global South also show a strong preference for Global North educations.

Instead of improving the diversity of student bodies across the globe, increasing international education is contributing to a centralization of the best students in the Global North. The education advantage that Global North countries already enjoy will not disappear until universities in the Global South are considered international destinations, attractive not only to a nation’s best students, but also to those from other countries – though it is unclear how or when this could happen. In the meantime, high-performing students from around the world will migrate to the Global North to study, and some will stay long after school ends, leading to
an even higher concentration of highly educated people in the countries with the most advanced education systems.

The developing world is making commendable progress increasing access to higher education, but the gap in the overall percentage of population with access to higher education is increasing because of larger gains in the Global North (Barro and Lee, 2013). While many Global South countries attempt to increase their educated populations and generally do so with heavy public subsidies largely avoiding massive student debt problems, international mobility of the best students and faculty members presents a problem for economies attempting to catch up to established premier higher education systems (Altbach, 2013).

**The path ahead**

The transformation of the political economy of higher education will intensify in the decades ahead. The global marketplace for higher education will likely grow significantly, driven by the requirements for both individual and collective prosperity in an increasingly knowledge-based economy and facilitated by global access to online resources and technologies. The concentration of higher education opportunities will not replicate earlier patterns. While the size of the traditional U.S. and European college-bound pool of students is flattening (and in places declining), the number of college-bound students in Africa, Asia, and South America will continue to grow as their governments increase investments in the human capital needed for the 21st-century economy. Beyond the traditional college-age population, the demand for advanced graduate degrees and certifications by those in mid-career also will increase to keep pace with the growing knowledge demands of careers in all sectors. A key challenge for these expanding national systems is to match the growth in scale with an equivalent growth in the quality of education, research, and scholarship. It is difficult to see how this improvement in quality can have significant effect unless it is broad-based, not just limited to the most globally competitive and attractive institutions that will necessarily only serve a tiny percentage of students.

Under virtually any future scenario, competition will grow as additional providers, including online, for-profit, and blended (on-site and online) programs enter the global marketplace. The sorting out process among delivery systems both within and across nations will continue for decades. One may anticipate the market entry of multinational online universities that provide global access to top flight faculty from many nations as well as a vast array of program options, far beyond what any single institution now delivers on site or online. In this environment, the scramble for resources and students will almost surely intensify.

Because we are still at the early stages of experience with online programs, we can only speculate on their long-term impacts. More online higher education programs are added each year, including programs from traditional providers as well as from for-profit suppliers. In some fields, online programs provided by major universities may displace weaker local programs. Massive Open Online Courses (MOOCs) have the potential to provide students around the globe with free access to a scope and quality of advanced instruction that could be truly revolutionary. It is clear that these applications of new technologies not only could greatly enhance higher education capacities, but also make possible a level of customized learning that would otherwise be unavailable or prohibitively expensive. But significant questions remain about how, or the extent to which, these kinds of courses can be integrated into degree-awarding schemes as well as about how they will be funded.

In Global North countries, the general progression from public financing to loan programs to concern about high debt levels to forgiveness programs suggests that the structure of higher...
education is very much evolving. While working to catch up in per capita tertiary education, Global South nations would be wise to watch the fallout of these current transitions.

There is no reason to assume that universities that have been the academic leaders of the past inevitably will remain global centers of knowledge and imagination for the next century. Indeed, at least some of the new universities developing in great numbers in nations in Africa, Asia, and South America have the opportunity to produce faculty and organize them as communities of scholars in ways that are much less encumbered by the inertia of entrenched academic structures, and can be much more responsive to societal needs and to the emerging competitive demands of the global marketplace of higher education. Yet the truly successful universities in the 21st century almost surely will be partnerships among institutions in many nations, including traditional and new institutions, and they will be notable as innovators who are engaged in addressing the cardinal challenges of our times on a truly global scale.

References


